



# COMMUNITY HOUSING TASK FORCE

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## ECONOMIC DEVELOPMENT VISIONING SESSION

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February 25, 2003

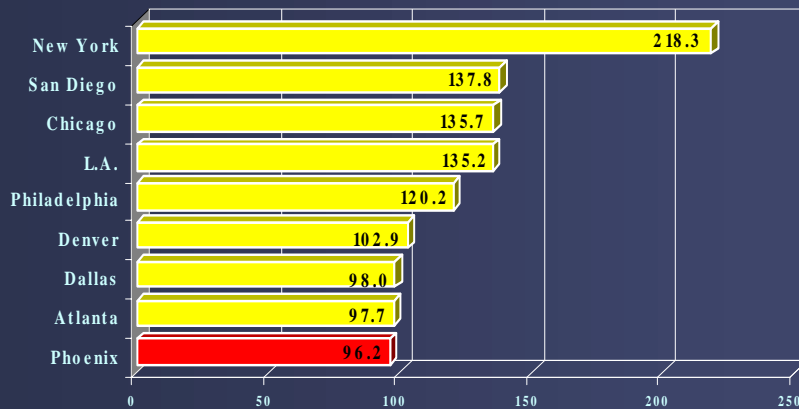
## Cost of Living

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- Greater Phoenix-Mesa is one of the most affordable major metro areas in the U.S.
- Overall cost of living in the region (96.2) is comparable to the national average (100)
  - Housing is the most affordable component in the ACCRA Cost of Living Index (88.8)
  - Other components include comparative costs for groceries (100.8), utilities (95.6), transportation (100.3), health care (111.5) and miscellaneous (91.4)

## Cost of Living: A Comparison

(Composite Score)



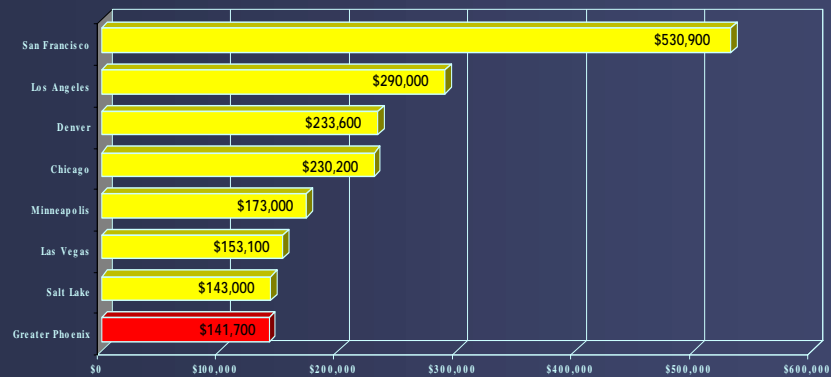
Source: ACCRA Cost of Living Index, 3<sup>rd</sup> Qtr '02.

## Housing Costs

- Housing costs are one of the largest components of cost of living.
  - The Greater Phoenix-Mesa metropolitan area offers a wide variety of new and existing homes
    - Region's housing costs are well below many other major metropolitan areas
    - Greater Phoenix-Mesa is still about 5 percent below the national average based on sales prices for existing single-family homes
    - The recent residential construction boom has created close to 94,000 new units over the past three years

# Housing Costs: A Comparison

Median Sales Price for Existing Homes \*



Source: National Association of Realtors, 3<sup>rd</sup> Quarter 2002

\*Figures are for the median home price during the given reporting period; home sizes vary by reporting period and market.

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## MONEY Popularity Ranking

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- MONEY reviewed 57 cities with populations above 300,000 (December, 2002)
  - Mesa #11 – highest ranking in Arizona
    - Ranking is based on rate of population growth and their “housing premium ratio” (the cost of residential real estate relative to local incomes)

## Housing Market

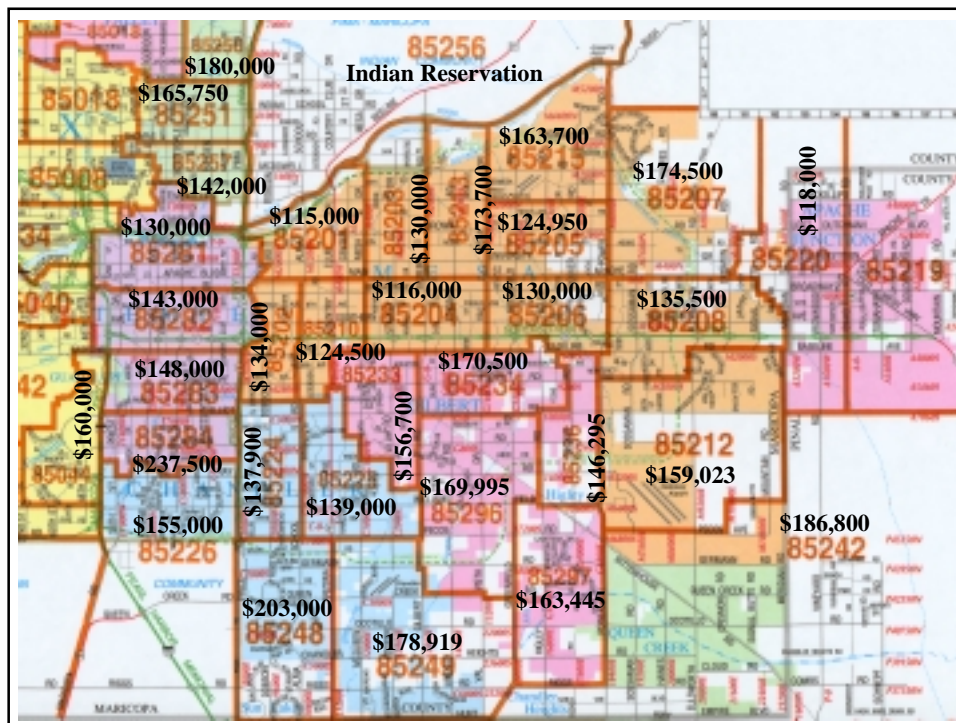
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- Mesa has become an important element of the region’s housing market (AZB/Arizona Business – April, 2002)
  - 13 percent of the resale market
  - 13 percent of the new market

## Housing Market: A Comparison

	<i>New Home</i>	<i>Resale Home</i>
Scottsdale	\$409,045	\$262,500
Tempe	\$269,085	\$148,000
Chandler	\$193,450	\$144,900
Gilbert	\$177,050	\$154,000
Glendale	\$168,700	\$126,500
Mesa	\$157,200	\$126,500
Phoenix	\$157,120	\$112,000
Greater Phoenix-Mesa	\$156,560	\$136,000

Source: Greater Phoenix Fact Book, Greater Phoenix Economic Council



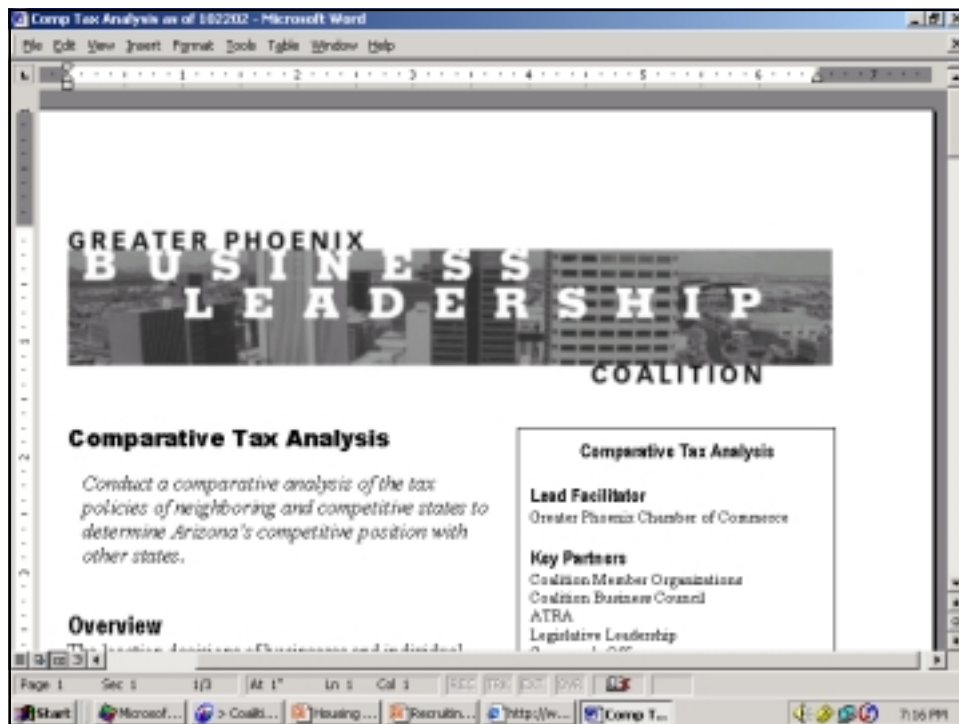
## Real and Personal Property Tax

- In general, the assessment ratio for commercial and industrial real property is 25%, compared to 10% for residential property
  - Relatively high tax rates for capital-intensive industry
  - State legislation sought to equalize assessment ratios

## Real and Personal Property Tax

<i>Class</i>	<i>Description</i>	<i>Assessment Ratio</i>
Class 1	Mines, mining claim property, standing timber	25%
Class 1	Local telecommunications and utilities	25%
Class 1	Commercial and industrial real property	25%
Class 1	Commercial and industrial personal property	0% of first \$54,367 25% of remaining value
Class 2R	Agricultural real property and vacant land	16%
Class 2P	Agricultural personal property	0% of first \$54,367 16% of remaining value
Class 3	Residential non-rental property	10%
Class 4	Residential rental property	10%
Class 5	Railroad property	21%
Class 6	Non-commercial historic property, foreign trade zones, military reuse zones, enterprise zones	5%
Class 7	Improvements to commercial historic property	1% for up to 10 years
Class 8	Improvements to historic residential rental property	1% for up to 10 years
Class 9	Possessor interests	1%

Source: Arizona Tax Research Foundation, 2002



## Primary/Secondary Property Tax Rates

- Arizona has two components of property taxes—primary and secondary
  - Primary property taxes can be collected by the state, counties, cities, community college or school districts and are dedicated for operation and maintenance expenditures of the receptive jurisdiction
  - Secondary property taxes may be levied for voter-approved budget overrides, special districts, or to pay for bonded indebtedness

## Primary/Secondary Property Tax Rates

City	Rate per \$100 Assessed Valuation		
	Primary	Secondary	Total
Avondale	0.5389	0.7347	1.2736
Buckeye	0.9776	0.6924	1.6700
Chandler	0.3800	0.9000	1.2800
El Mirage	0.0000	0.0000	0.0000
Gilbert	0.0000	1.1500	1.1500
Glendale	0.3548	1.3652	1.7200
Goodyear	1.2866	0.7549	2.0415
Mesa	0.0000	0.0000	0.0000
Peoria	0.2900	1.3000	1.5900
Phoenix	0.7982	1.0218	1.8200
Scottsdale	0.5073	0.6456	1.1529
Surprise	0.6632	0.2469	0.9101
Tempe	0.5214	0.8286	1.3500
Tolleson	1.0394	0.9550	1.9944
County-wide	2.6631	0.6224	3.2855

*Note: Rates shown do not include school district property taxes*

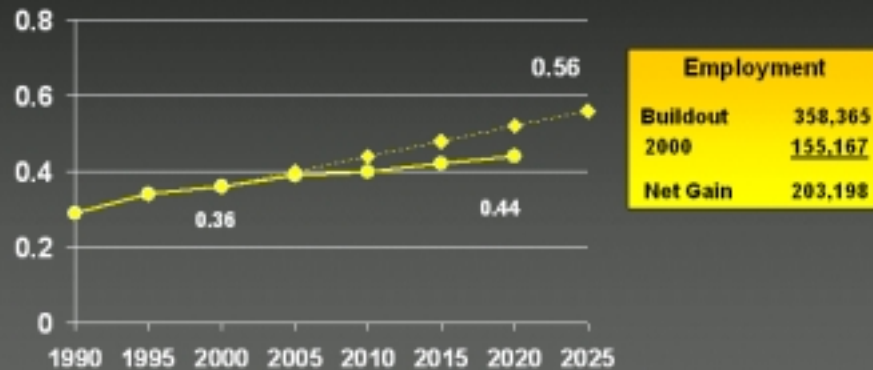
*Source: Arizona Tax Research Foundation, 2002*

### Key Messages

- **Increase Mesa's jobs per capita ratio**
  - Strive to reach a ratio of .56 jobs per capita
    - Requires placement of .96 incremental jobs for every resident
    - Equivalent to 3.46 jobs for every housing unit
    - Fundamental measurable progress needs to emerge in the next five years
    - Mesa must both catch up and go forward simultaneously



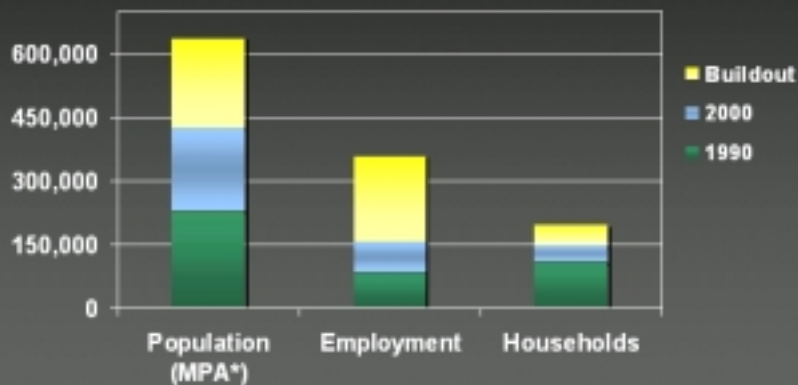
### Jobs per Capita Ratio (projected)



### Population, Employment & Housing Growth

	2000	Buildout	% change
Population (planning area)	425,238	636,252	50%
Employment	155,167	358,365	131%
Households	146,643	195,572	33%
Jobs/Capita	0.36	0.56	55%
Jobs/Household	1.06	1.83	73%

## Population, Employment & Housing Growth

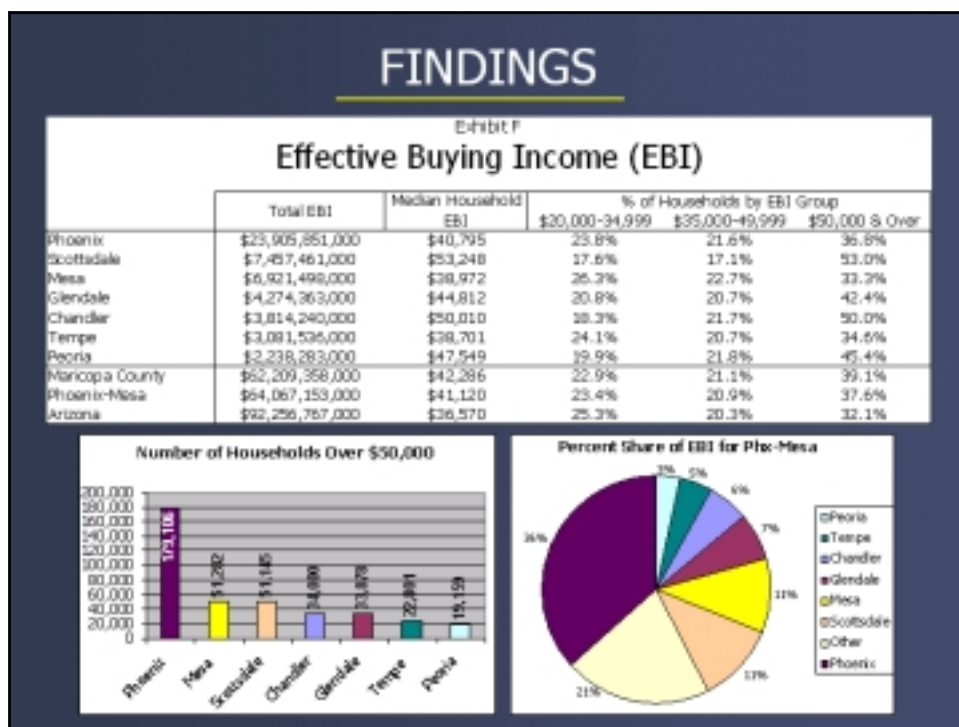
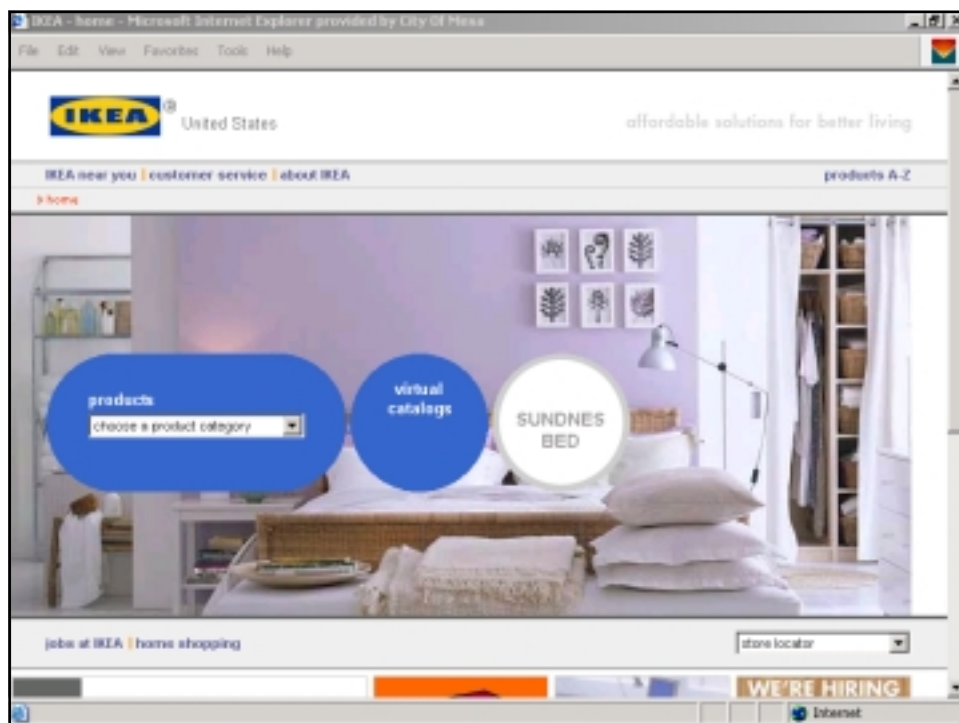


\*1990 population within city boundaries; 2000 and Buildout figures encompass Mesa's Municipal Planning Area

## Fiscal Comparison of Land Uses

### Fiscal Impacts in \$ Millions (stable year at buildout)

	Current (City Only)	JMPC Selected Plan
Residential	(81)	(226)
Retail/Industrial/Commercial	103	307
Other Uses	(10)	(5)
Net Impacts	13	77

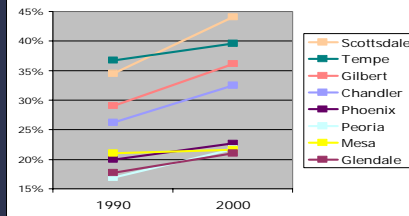


## Educational Attainment

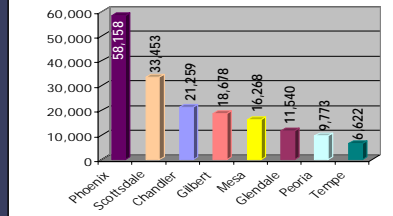
Source: 1990 & 2000 Census

	% of Bachelor's Degrees		% Change in Degrees 1990 - 2000	# of Bachelor's Degrees		Growth Bachelor's 1990 - 2000
	1990	2000		1990	2000	
Phoenix	19.9%	22.7%	2.8%	122,285	180,443	58,158
Scottsdale	34.5%	44.1%	9.6%	33,021	66,474	33,453
Chandler	26.2%	32.5%	6.3%	14,054	35,313	21,259
Gilbert	29.0%	36.1%	7.1%	4,595	23,273	18,678
Mesa	21.0%	21.6%	0.6%	36,661	52,929	16,268
Glendale	17.7%	21.0%	3.3%	15,700	27,240	11,540
Peoria	16.9%	21.7%	4.8%	5,556	15,329	9,773
Tempe	36.8%	39.6%	2.9%	30,344	36,966	6,622
Maricopa County	22.1%	25.9%	3.8%	297,573	500,881	203,308
Phoenix-Mesa	22.1%	25.1%	3.0%	297,573	515,058	217,485
Arizona	20.3%	23.5%	3.2%	466,873	766,212	299,339

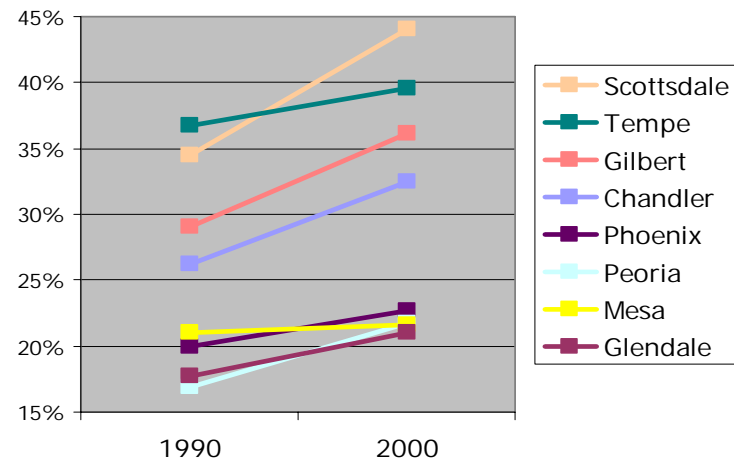
Percent of Those With a Bachelor's Degree by City



1990 - 2000 Growth in Number of Bachelor's Degrees by City



Percent of Those With a Bachelor's Degree by City





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